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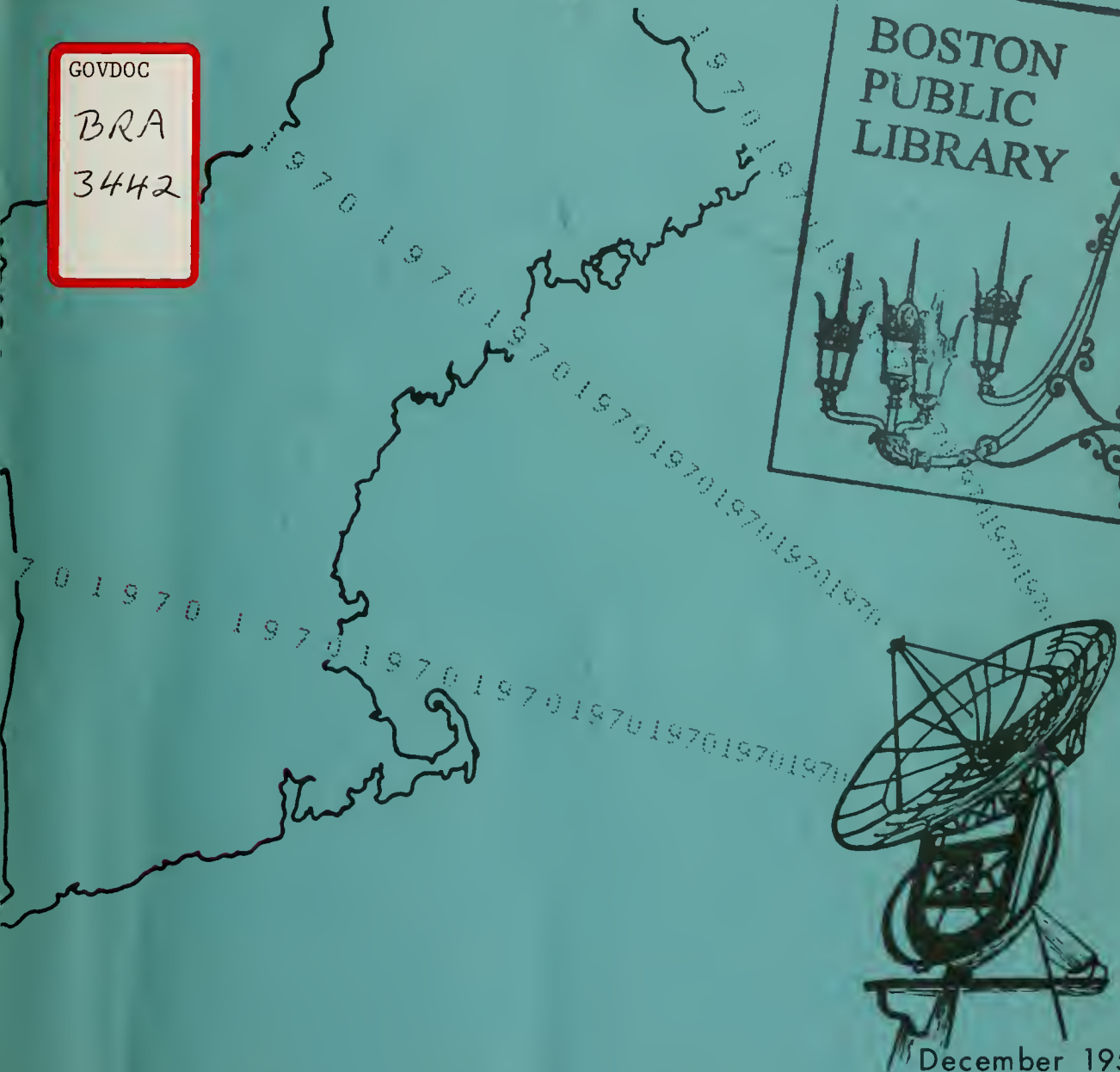
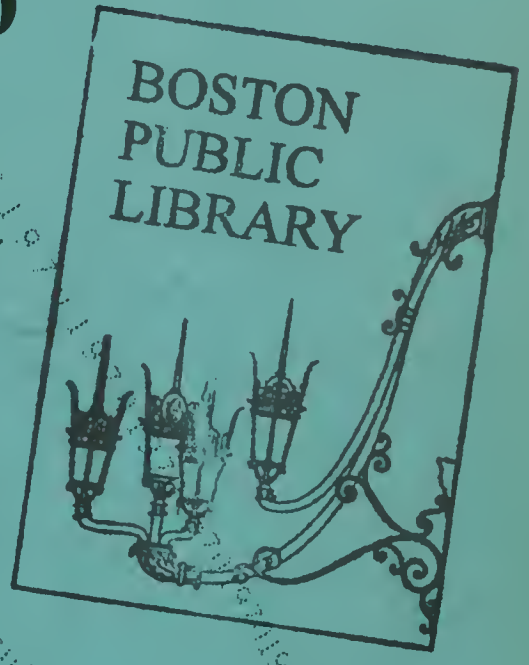
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December 1959

Research Report
Federal Reserve Bank
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Joseph F. Turley
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GOALS IN URBAN RENEWAL FOR NEW ENGLAND

By Joseph F. Turley
Director of Seminar Research Bureau, Boston College

Introduction

The Housing Act of 1949 opened up new vistas in the development of American society. By proclaiming as its objective "the realization as soon as feasible of the goal of a decent home for every American family" it gave legislative support to an American ideal. The tools that were provided in the Act soon proved to be inadequate for the task. The Housing Act of 1954 while keeping the objectives of its predecessor broadened the program and developed the ideal. It shifted the focus of the program from slums in isolation to slums as the weakest part of sick communities. The phrase "renewing out cities" expressed at once the scope and objective of the urban renewal effort.

Urban renewal as set forth in the housing act and its amendments is designed to salvage the American city by arresting its decline and making the city again a vital economic and social unit. It deals with housing but recognizes that without the income generating facilities of business there is neither reason nor hope of satisfactory urban existence. The unspoken objectives of jobs and profits bring to the effort a realism and comprehensiveness that lead many confidently to predict a golden era for cities. The new urbanism is not being accomplished without problems. Traditional views of the rights of property and the role of government in our society, for some, are being rudely shaken. Often in the renewal process individuals and businesses are injured as public bodies pursue a vaguely defined "common good." Yet, success of the program demands sympathetic cooperation between

business and government. The success of the effort is not assured since the economics of cities, the oldest and primary area economic organization, are little known. But despite the many difficulties overcome and yet to be overcome the urban renewal effort has commanded more widespread support than any prior venture under governmental auspices into the lives of citizens and the economy of the nation.

The study of urban renewal, its potential and its realistic possibilities, is important in an analysis of the future of New England's economy. Already some \$300,000,000 of primary expenditures have been made or are committed in the region. Much more will be spent if we are to reclaim our many square miles of urban land occupied by bad housing and functionally obsolete business structures.

Urban renewal is of particular importance to New England. In this oldest industrial area of the country there were 1,784, 445 units in 1950 which were built in 1919 or in prior years. This represents 62 percent of the housing stock. Only 11.8 percent of the population lived in houses built since 1939 as compared to 20 percent for the U. S. population as a whole. Industrial and commercial structures are also old and inefficient. In Boston, for example, only 59.7 percent of the commercial floor space is in structures which are fireproof. Each passing year puts these facilities further out of step with the needs of the time. Multi-storied mill buildings and dark cavernous office buildings limit the efficiency of New England business. In a phrase, they are functionally obsolete and should be replaced. Urban renewal has provided one tool with which many of them can be removed.

TABLE I

Percent of Dwelling Units in Structures Built in 1940 or Later

New England	11.8%
Middle Atlantic	11.9%
East North Central	16.3%
West North Central	14.0%
South Atlantic	27.4%
East South Central	24.6%
West South Central	31.0%
Mountain	30.0%
Pacific	33.8%
United States	20.7%

Source: 1950 Census of Housing

The Problem of Old Urban Areas

The densities of habitation in slums could only be sustained in a manufacturing economy and the slum as we know it was a product of the industrial revolution. The last half-century has been one of increasing awareness by the public of the vileness of slums and the relation of slums to crime, moral turpitude, and illness. The social conscience was early aroused by such writers as Charles Dickens, who in his writings and public activities during the second half of the 19th century, criticized conditions in slums and indicted society for their tolerance. In "Bleak House" he describes in detail the infamous Tom - all - Alone's neighborhood and fixes the responsibility for its existence on society as a whole which he also indicates bears the burden of its pernicious influence. The generality of the responsibility for

conditions in slums was a relatively new concept. The social Darwinism of the period left the impression that 'you couldn't keep a good man down' and that the principal cause of slum conditions was the slum dweller. The idea that poor environment was partly the cause of the social conditions that existed in such areas was in many respects a revolutionary view.

In the late 19th century "lodging house investigations" and committees to "investigate the condition of the poor" reflected a growing consciousness of the community of the limitations of urban living conditions. As a result of this and other activity, city planning became a practical art and health regulations, building codes, and zoning ordinances provided the tools to create healthy and satisfying living areas. For most New England cities these devices came too late as the land of the cities was already developed and there was no obvious way of removing the acres of dreary structures that housed a major portion of the population.

Reclamation of urban land for residential purposes, it was apparent, could occur only if there were a sufficiently affluent market for housing in close-in areas. This market must be willing to pay rents sufficient to cover the costs of land acquisition, construction, capital, and taxes. Land acquisition, construction, and tax costs are likely to be higher on sites in built-up areas than in outlying areas. This immediately presents the prospective investor with a problem of costs which must be overcome if his project is to succeed. Slum land is expensive. This is because the rate of return on slum properties is high, reflecting the intensive use of the land, the overcrowding of structures, and the very low maintenance and repair costs of such property. In addition the land must be cleared of the existing

structures and the new development, if it is to conform to present day needs, would probably cover a smaller proportion of the cleared site.

Construction costs are high because building codes in such areas usually require heavier construction than would be possible in areas further out and less densely settled. The tax bills bear the burdens of a fully serviced city often depending upon a declining tax base for its revenue and bearing a major share of the costs of the whole metropolitan area's health and welfare problems.

Assuming the market could sustain such costs the developer is faced with two additional problems. The problem of land acquisition is a major one and its complications are intricate and expensive enough in many situations to discourage the builder. Finally, the clearing of a site in the midst of areas which remain in poor condition is not sufficient. Urban housing, to be marketable, must have a safe and attractive environment. Few builders are able to undertake projects large enough as to alter an entire neighborhood, yet this is what often must be done.

Redevelopment under private auspices for commercial and industrial uses was no less expensive and impractical. New England cities faced with a change in their economic base were often left with large and functionally obsolete manufacturing structures in central areas. These formidable structures were sometimes sub-divided and rented to small concerns frequently paying relatively low wages and redeveloping space in order to compete. Rarely were they completely utilized and consequently much of their former value for tax purposes had to be written off. In some cases, the use of such structures was changed from manufacturing to warehousing and commercial purposes. Some had sufficient land to allow for parking facilities, thus giving them an advantage

over downtown stores. But in almost all cases the physical feature of these structures was ill adapted to their uses. Even when successfully used for retailing the effect on the city often was a negative one. The "mill outlet" drew business away from an existing commercial area of much higher value and thus contributed to the fiscal decline of the city. The expense of tearing such structures down is great. The developer faced with a shift in the location of commercial facilities from the downtown to the periphery of the older areas could find little incentive to risk his capital in such ventures.

In other cities, the expansion of central business districts that formerly reclaimed close-in slum areas halted as population growth slowed and vertical expansion became cheaper and more popular. In recent times the expansion of commercial and industrial facilities in outlying areas robbed the core city of its principal source of revenue surplus and its opportunity to reclaim high value land.

The Need for Assistance

To reclaim cities and provide decent environments and living facilities for New England families it became clear that assistance must be forthcoming from government. In the immediate postwar period there were attempts by the states to provide such incentives. In Massachusetts, for example, legislation was enacted empowering certain corporations to use the power of eminent domain to acquire land and buildings for redevelopment. In return for the use of this power and a partial tax exemption these corporations were limited to a return of 6 percent on investment. In the more

than twelve years since passage, no corporation has started a project under this legislation. Although it is being considered for one project at this time, additional assistance is deemed necessary to make it workable.

In 1949, Congress enacted the first legislation that recognized the importance of the reclamation of our cities. This legislation, unlike other attempts, recognized that the piecemeal clearance of slum housing and its replacement by low-income public housing was not sufficient to restore the economic and social base of cities. This program while not excluding housing for low income families, allowed the use of funds to prepare land for higher income groups and for commercial and industrial purposes. In allowing the creation of sites for wealth producing population and enterprises the Housing Act of 1949 was the first realistic plan to draw private investment back to the city and thus rehabilitate its economic base. States were quick to follow with the legislation allowing the use of the power of eminent domain for these purposes.

The Housing Act of 1954 went one step further and required a community to prepare a general scheme for its rehabilitation. This workable program committed the city to the attainment within a reasonable time of the following seven objectives:

1. Development and enforcement of codes and ordinances to prevent the spread of blight.
2. Formulation of a comprehensive long-range community plan.
3. Detailed analysis of neighborhoods to determine the treatment needed to bring them up to standard or to prevent deterioration.
4. An adequate administrative organization to carry out the renewal program.

5. A financial plan to meet renewal costs;
6. A program for housing families displaced by slum clearance and other governmental activities.
7. Citizen support and participation in the program.

In addition, this legislation provided aids to be used in the rehabilitation of existing housing, funds for the construction of low rent public housing, mortgage insurance on favorable terms for the construction of low-cost housing outside of renewal areas, and assistance for families and businesses displaced by renewal projects.

As in the 1949 Act the principal part of the program continued to be federal absorption of 2/3 of the loss experienced in clearing and preparing sites for re-use.^{1/}

The problems of land acquisition and assembly, environment, and economic reuse were thus openly attacked under a program calling for a partnership between federal and local government and private enterprise. The objectives of the partnership, while basically humanitarian, recognized the severe economic hardships of older cities and provided some tools to assist in overcoming them. The program is now five years old and while it can be criticized in many ways it nevertheless has proved itself workable in its major provisions.

The Condition of Housing in New England

The condition of residential housing in New England is better than in most regions of the country. In the last census dilapidation and inadequacies in basic facilities of the house--

^{1/}

In 1957 a new act allowed 3/4 of the loss as the federal contribution if the locality assumed expenses formerly borne by the Federal government.

toilet, bath and running hot water--had a low incidence with only the Middle Atlantic and Pacific States having a lower proportion of units lacking these facilities. The principal problem with housing in New England is its age. In 1950 some 62 percent of all units were constructed in 1919 or prior years. In the United States only 44.6 percent of dwelling units were that old.

The severity of the climate has required greater attention to housing needs in New England than in many other regions. The age of housing is as much related to the slow rate of population growth as to the failure to remove older housing from the market.

In 1950 there were 2,879,409 housing units in New England. Of this group 2,415,635 were occupied and information on their condition was reported. The characteristics of these units were as follows:

1. Owner occupancy--a high proportion of multi-unit structures resulting in a low level of owner-occupancy. Only the Middle Atlantic States had fewer units occupied by owners.
2. Density of habitation--there was far less crowding in New England households than in any other region of the nation. This indicated a low level of "doubling up" and reflects the fact that New England's population is not growing rapidly. Only 9.9 percent of all units in New England had more than an average of one person per room as compared to the other extreme, the East South Central states, with 27.9 percent of all units with more than one person per room. To a certain extent this low density of habitation reflected the age of the housing since much of New England's housing was built when a dining room and living room, not used as sleeping quarters, were considered an essential part of the household.
3. Condition--the basic requirements of sanitation--running water, toilet, bath--were present in 73.9 percent of all units. Only the housing of the Middle Atlantic and Pacific states were in better condition in this respect.

4. Value--the value of owner occupied single dwelling units in New England was the highest in the nation despite very large differences in the value of units among the various New England states. Rentals of rented units, on the other hand, were lower than in all but two regions--South Atlantic and East South Central--reflecting a low unit value of renter occupied dwellings.

TABLE II

Dwelling Units in New England, 1950

Total Dwelling Units	2,879,409	100.0%
Urban	2,080,539	72.3%
Rural nonfarm	676,930	23.5%
Rural farm	121,940	4.2%

About 72 percent of the housing in New England is in urban areas. The rural farm population is small and declining. Thus the major portion of the housing problem exists in organized municipalities with population in excess of 2,500 or in smaller communities on the fringes of cities.

In analyzing the housing stock there are two general conditions which when present are sufficient to warrant classification of a dwelling unit as "substandard." These are dilapidation and inadequate sanitary facilities.

A dilapidated house is one that has serious deficiencies, is rundown or neglected, or is of inadequate original construction, so that it does not provide adequate shelter or protection against the elements or endangers the safety of the occupants. A dilapidated house then is one that, because of deterioration or inadequate original construction, is below the generally accepted minimum standards of housing and should be torn down or extensively repaired or rebuilt.

Inadequate sanitary facilities means the absence of running water, toilet or a private bath. Units without central heating can be added as in a condition injurious to the safety and comfort of the New England home.

It should be realized that these are measures of adequacy. Such factors as infestation, quantity of light and air, egress, and the dimensions of rooms are all of fundamental importance. Unfortunately, the existing statistics do not provide measures of these conditions.

Substandard conditions are often sufficient to make a unit economically unsalvageable. In addition to units in this class, there are in New England communities groups of houses which are in poor physical condition though meeting minimum standards. These units require repairs and modernization. We have no way of knowing how many units of this class exist and what the needed repairs might be.

The true number of units in any community that can be brought up to safe and decent standards can only be measured by a detailed study which involves a first hand analysis of each housing unit. The Census of Housing while providing some information on the condition of units is an altogether inadequate basis for measuring the number of units needing repair, modernization, or other major rehabilitation. It should also be realized that the need of an improvement is not always justification for such improvement. The financial feasibility of making a repair or other alteration will represent the final determination of whether it will be done.

TABLE III

Condition of Housing in New England (occupied units only)

	<u>Dilapidated Units</u>		<u>Substandard Units</u> ^{2/}		<u>Units Needing Treatment</u>	
	<u>Number</u>	<u>Expressed as Percent of Dwelling Units</u>	<u>Number</u>	<u>Expressed as Percent of Dwelling Units</u>	<u>Number</u>	<u>Expressed as Percent of Dwelling Units</u>
New England	2,415,635	4.3%	813,196	33.7%	918,171	38.0%
Inside Metro- politan Areas	1,648,610	3.6	475,679	28.9	535,334	32.5
Other Urban Areas	426,065	4.4	171,095	40.2	189,960	44.6
Rural Areas	340,960	7.8	166,422	48.8	192,877	56.6

2,415,635

2/ Lacking central heating, private toilet or bath, hot running water.

While recognizing the deficiencies of the estimating procedure there is no other alternative. In New England, of the 104,975 occupied dwelling units that were dilapidated, three-quarters of these were located in urban areas. These represent units that will have to be removed from the housing supply. The number of units which are now substandard in terms of their ability to provide safe and comfortable homes is estimated at 813,196 occupied dwelling units. This group is composed of 372,486 units which lack central heating, 169,865 units with no hot water, 231,165 units with no private toilet or bath, 39,680 units with no running water. 725,294 of these are in urban areas. This represents a bare minimum since no measure is taken of such conditions as inadequate ventilation, needed structural repairs, excessive density of habitation or land coverage, and the presence of such nuisances to health as flooding conditions, smoke, and noxious odors.

In a structure without private toilet it would often be economically impossible to install one for each unit. Since such economic limitations apply to many of the changes required it is safe to assume that a major portion of all dwelling units in the group of 725,294 urban units in New England that are substandard cannot be rehabilitated. Although no detailed knowledge exists, it is generally estimated by experts in the field that 2/3 of substandard units could not be rehabilitated. Thus the dilapidated urban units plus that portion of the substandard units that cannot be rehabilitated would mean that to clear out the undesirable housing in 1950 would require the destruction of over a half-million occupied units.

Since the urban renewal program deals with neighborhoods rather than individual units many units now up to standard must be destroyed to enable the public body to reclaim the area. For example, in the West River Project in Providence, which was cleared to provide an industrial site, 383 standard units had to be destroyed along with 404 substandard units. Throughout New England the experience has been that substandard and dilapidated units represent 80 percent of total units that must be torn down. This means that for any four substandard dwelling units destroyed one sound unit must go.

TABLE IV

Distribution of Dilapidated and Substandard Units Among New England States

	Percent of New England Total	
	Substandard Units as Percent of Total Units in Each State	<u>Population</u>
Maine	19.3%	9.4%
New Hampshire	8.8	5.8
Vermont	5.8	3.8
→ Massachusetts	39.0	49.5
Rhode Island	12.5	8.5
Connecticut	<u>14.6</u>	<u>23.0</u>
New England	100.0	100.0

The distribution of substandard housing among the various states does not conform with population distribution. Massachusetts and Connecticut have substantially smaller shares of substandard housing than they have of population while Maine, New Hampshire, Vermont, and Rhode Island have shares of substandard housing that exceed their shares of the population. Two influences probably

account for most of this disparity. In Maine, New Hampshire and Vermont there are a large number of dilapidated housing units in rural areas as a result of farm abandonment, reflecting a declining agricultural population. The second influence is that of income. There seems to be a relationship between the condition of housing and the level of per capita income. Connecticut and Massachusetts, the two states with the highest income have the lowest rate of substandard housing on a population basis. The four states with low per capita incomes have more than proportional shares of substandard housing.

New England industrial and commercial buildings suffer from more serious disabilities than its housing. Often located in central areas the giant structures of another era stand half-filled or empty. Their brooding presence is in itself a blighting condition. The economics of the market place have not provided sufficient incentives to command their replacement. Fall River, New Bedford, Lawrence, Lowell, Manchester, Biddeford and many other communities have faced the problem of a decline in jobs, taxes, and purchasing power as mills closed their doors on one period in New England's development. Economic recovery, when it has come, often is of little benefit to the industrial tax base of the cities mainly because suitable sites in uncongested areas with room for parking, loading and possible expansion were not available in the cities largely because of the existence of the older, obsolete buildings as the location of firms tended toward outlying communities.

Even for those communities that have filled their old mill space the problem is not solved. The old industrial buildings of New England will have to be replaced because their interior characteristics, appearance, and facilities are not in line with current demand. They are generally less efficient than modern single-story industrial

buildings, and few of them are located in uncongested areas with adequate space for parking, and room for expansion. Most of the commercial buildings of the region are also in poor condition. High density developments have not allowed them easily to adjust to the motor vehicle. Failure to make this adjustment can only result in loss of business to more modern facilities.

The overall problem of New England cities is not one of inadequate buildings alone. Access to their commercial and industrial areas is often difficult and time consuming. In order to overcome this not only new buildings but new local streets, parking areas, and access roads are necessary. So extensive is the redevelopment need in some cities that costs are far beyond the fiscal capacity of the community to support renewal. The residential nature of the renewal program also limits the availability of funds. Under the Housing Act of 1954 up to 10 percent of capital grants could be made for areas that are not primarily residential in nature or in which the redevelopment scheme does not call for a preponderance of residences. Administrative interpretation of this provision was that 20 percent of land coverage or building floor area must be residential to qualify under this exemption. Of particular importance to New England is the fact that in the Housing Act of 1959 these requirements for residential use have been eliminated and up to 20 percent of total federal grants may be used for this purpose.

Present status of the Program

The urban renewal program has taken hold and rapidly expanded in some parts of New England. By July of 1959 there were 84 projects in various stages of progress. These 84 projects were located in 48

municipalities. One New England community (Providence, Rhode Island) has as many as six projects under way, eleven additional communities are expected to submit requests for project reservations in the near future.

TABLE V

Relative Shares of Population and Urban Renewal Authorization by States

(Population---1956; Authorizations 3/30/59)

	1956 Population	Percent of Total Popu- lation	Authorizations	
			Amount	Percent of Total
Connecticut	2,221,000	1.33	\$ 63,297,792	4.79
Maine	930,000	.56	1,930,369	.15
Massachusetts	4,813,000	2.88	40,944,291	3.10
New Hampshire	564,000	.34	2,886,455	.22
Rhode Island	846,000	.51	12,909,270	.98
Vermont	371,000	.22	600,000	.05
<u>New England</u>	<u>9,745,000</u>	<u>5.83</u>	<u>122,568,177</u>	<u>9.27</u>
New York	15,826,000	9.46	207,392,767	15.68
Delaware	418,000	.25	2,000,719	.15
District of Columbia	831,000	.50	64,828,935	4.90
Maryland	2,825,000	1.69	26,362,042	1.99
New Jersey	5,513,000	3.30	68,828,286	5.20
Pennsylvania	10,940,000	6.54	141,386,445	10.69
Virginia	3,704,000	2.21	38,770,950	2.93
West Virginia	1,964,000	1.17	3,842,455	.29
Alabama	3,121,000	1.87	14,593,916	1.10
Georgia	3,709,000	2.22	28,880,022	2.18
Kentucky	2,998,000	1.79	5,062,926	.38
Mississippi	2,154,000	1.29	510,000	.04

TABLE V (Continued)

Relative Shares of Population and Urban Renewal Authorization by States

(Population--1956; Authorizations 3/30/59)

	1956 Population	Percent of Total Popu- lation	Authorizations	
			Amount	Percent of Total
North Carolina	4,406,000	2.63	\$ 6,232,234	.47
South Carolina	2,329,000	1.39	280,000	.02
Tennessee	3,420,000	2.04	65,329,045	4.94
Illinois	9,482,000	5.67	103,012,010	7.79
Indiana	4,436,000	2.65	21,794,902	1.65
Iowa	2,754,000	1.65	7,177,179	.54
Michigan	7,580,000	4.53	62,877,587	4.75
Minnesota	3,260,000	1.95	22,374,730	1.69
North Dakota	642,000	.38	1,026,209	.08
Ohio	9,071,000	5.42	66,851,839	5.05
Wisconsin	3,788,000	2.26	19,948,069	1.51
Arkansas	1,761,000	1.05	4,520,679	.34
Colorado	1,628,000	.97	4,051,429	.31
Kansas	2,103,000	1.26	14,650,487	1.11
Louisiana	3,010,000	1.80	2,086	.01
Missouri	4,197,000	2.51	44,476,439	3.36
New Mexico	811,000	.48	358,047	.03
Texas	8,944,000	5.35	23,364,245	1.77
Alaska	206,000	.12	3,937,436	.30
Arizona	1,086,000	.65	5,026,950	.38
California	12,471,000	8.05	72,450,795	5.48
Hawaii	584,000	.35	9,608,522	.73

TABLE V (Continued)

Relative Shares of Population and Urban Renewal Authorization by States

(Population--1956; Authorizations 3/30/59)

	1956 Population	Percent of Total Popu- lation	Authorizations	
			Amount	Percent of Total
Nevada	256,000	.15	\$ 1,989,600	.15
Oregon	1,733,000	1.04	5,009,687	.38
Washington	2,675,000	1.60	2,097,624	.16
Puerto Rico	<u>2,267,000</u>	<u>1.36</u>	<u>29,115,732</u>	<u>2.20</u>
TOTAL	167,259,000	100.00	\$1,322,590,300	100.00

TABLE--illustrates the relative proportion of urban renewal authorizations obtained by each of the states, Puerto Rico and the District of Columbia. The states of South Dakota, Nebraska, Florida, Oklahoma, Montana, Idaho, Wyoming, and Utah have no authorizations. The state of Louisiana has a very small authorization for a demonstration study rather than for a renewal project. When the proportion of authorizations for each state is compared to the proportion of that states population in the total United States population in 1956, it appears that New England with 5.83 percent of the population and 9.27 percent of the authorizations is getting its share of urban renewal commitments. Connecticut, Massachusetts, and Rhode Island each have greater shares of urban renewal authorizations than their shares of the population would indicate. Connecticut has over 3-1/2 times as great a proportion of urban renewal authorizations as it has proportion of population. It is the leading state in this regard and is exceeded only by the District of Columbia which has .50 percent of population but 4.90 percent of urban renewal authorizations. The "Southwest 'C'" project in the District with an authorization of \$42,688,504 involves more Federal funds than all Massachusetts projects combined.

TABLE VI

New England Communities Participating in Urban Renewal, by Size

<u>Population</u>	<u>New England Communities by Population Group</u>	<u>Communities With Urban Renewal by Population Group</u>	<u>Percent of Communities With Urban Renewal</u>
100,000 or more	12	12	100.0%
50,000 to 99,999	18	9	50.0
25,000 to 49,999	42	12	28.6
10,000 to 24,999	108	9	8.3
5,000 to 9,999	123	4	3.2
2,500 to 4,999	209	—	—
1,000 to 2,499	380	2	.5
less than 1,000	<u>736</u>	<u>—</u>	<u>—</u>
TOTAL	1,628	48	2.9%

257 cities and towns, of over 5,000 population, in the region have not as yet taken the first step of developing a workable program. Included in this group are communities where extensive concentrations of substandard housing are known to exist, such as New Bedford, Massachusetts; Pawtucket, Rhode Island; New London, Connecticut; Biddeford, Maine; and Portsmouth, New Hampshire. This does not mean that there is no interest on the part of these communities. A survey by the Maine Municipal League of the attitude of non-applicant communities in urban renewal showed that 30 of the 38 replying indicated a desire to set up an urban renewal program. On the basis of this evidence it is possible to predict an expansion of the program in future years. The principal limitation in this regard is that the organization and management of this program requires a high degree of technical skill and many communities are frightened by the prospect of such vast undertakings. Thus a large community can undertake a small project--the Rogers Block in Cambridge is a good example--without deep

financial commitment of community resources. Any project for a smaller community is bound to require a major outlay of tax funds and the step is taken with justifiable caution. Consequently the program is a "big city" program with the notable exception of Connecticut.

In Connecticut three forces have combined to take the program to smaller units of government. These are: (1) the floods of 1954 and 1955 which demonstrated the need for redevelopment of areas subject to flood and made the communities stricken eligible for federal aid under relaxed regulations; (2) the sharing of costs of local redevelopment by the state government; and (3) leadership, interest, and success with the program by New Haven and the state government.

The 84 projects now underway in New England require a federal contribution of \$152,000,000. Experience with those projects which have advanced to the execution stage has shown that the local contribution to Gross Project Cost^{3/} averages 95 percent of the federal contribution, making a total of almost \$300,000,000. The 84 projects are in various stages of completion.

Only a few projects are partially or fully complete, occupied and in use, illustrating the need for immediate attention to such problems if we hope to provide the facilities needed by the burgeoning population of the 1960's. In Connecticut, the Oak Street project in New Haven now has a shopping center with nine stores on a site once occupied by run-down housing. The Southern New England Telephone Company has also erected a ten story building on land cleared under the program.

^{3/} Gross Project Cost is the amount of cash expenditure for all undertakings necessary in planning and carrying out a renewal project, plus the amount of such local grants-in-aid as are furnished in forms other than cash.

In Manchester, New Hampshire, the deteriorated housing in the Concord-Lowell Street area has been replaced by a municipal parking lot. In Boston, the Boston Herald-Traveler newspaper building has been constructed in the New York Streets area and additional building is planned in the immediate future. In Somerville, Massachusetts, the Linwood-Joy Street (brick bottom) Area--formerly one of the worst slums in metropolitan Boston is now the site of a truck depot, a garage, and two factories. Finally, in Providence, Willard Center projects one and two now contain a shopping center with 14 stores and parking, and a public school.

In projects that have been prepared for redevelopment reuses are not always immediately forthcoming. Such a time lag should be expected, of course, and plans made that take this into account. The Vine-Deer-Chatham Street area in Portland stands empty after having been cleared. Sites in the New York Streets area in Boston, the Linwood-Joy area in Somerville and the Rogers block in Cambridge have all been slow in being redeveloped. This in itself is not a criticism of the program. Urban renewal is necessarily a long process and even though the land is not immediately redeveloped the elimination of a slum has a beneficial effect on surrounding land and buildings.

The status of all New England projects is indicated in table VII. No reuse is indicated in connection with Class IV and V projects.

In addition the following communities without urban renewal projects have applied for or received funds to develop a "workable program": Greenwich, Manchester, and Windsor, Connecticut; Winchester, Chicopee, Holyoke, Melrose, Newburyport, and Taunton, Massachusetts; Dover, New Hampshire; and Newport, Rhode Island.

TABLE VII

Status of All Urban Renewal Projects in New England, July 1959

I Projects With Redevelopment Plan Carried Out

<u>City--Project Name</u>	<u>Reuse</u> ^{4/}	<u>Federal Contribution</u>
Manchester, New Hampshire: Concord-Lowell	Parking	\$ 51,300
Providence, Rhode Island: Willard 1 and 2	School and Commercial	\$ 1,426,478

II Projects in Which Redevelopment Has Begun

<u>City--Project Name</u>	<u>Reuse</u> ^{4/}	<u>Federal Contribution</u>
New Haven: Oak Street, Church Street	Residential, Commercial and Public, School	\$13,287,842 \$ 3,487,352
Portland: Vine-Deer-Chatham	Industrial and Commercial	\$ 406,120
Boston: New York Street	Industrial	\$ 3,200,000
Somerville: Linwood-Joy	Industrial	\$ 1,023,164
Providence: West River	Industrial	\$ 3,467,303

III Projects in Execution (Clearance in Progress)

<u>City--Project Name</u>	<u>Reuse</u> ^{4/}	<u>Federal Contribution</u>
Danbury, Connecticut: Central Flood Urban Renewal	Residential	\$ 3,613,909
East Granby, Connecticut Granbrook Park	Residential	\$ 244,593
Farmington: Farmington Avenue	Residential	\$ 6,546
River Glen	Residential	\$ 18,423
Hartford: Front-Market (two projects)	Commercial	\$ 1,815,905
Middletown: Center Street Renewal	Commercial	\$ 1,558,212
New Haven: Wooster Square	Residential	\$10,648,914
Norwalk: Wall--Main	Commercial	\$ 2,584,940

^{4/} In rehabilitation of existing houses the reuse (in Parts I, II, and III) is listed as residential.

TABLE VII (Continued)

Status of All Urban Renewal Projects in New England, July 1959III Projects in Execution (Clearance in Progress)

<u>City--Project Name</u>	<u>Reuse^{4/}</u>	<u>Federal Contribution</u>
Putnam: Quinebaug	Residential, Commercial	\$ 2,621,398
Seymour: Darby Avenue	Industrial	\$ 132,419
Second Street	Industrial	\$ 268,926
Stamford: East Meadow	Commercial	\$ 460,019
Torrington: South Central Area	Commercial	\$ 1,558,555
Washington: Shepaug Road	Public	\$ 243,145
Waterbury: Flood Renewal	Industrial	\$ 604,296
B-2	Commercial	\$ 422,820
Portland, Maine: Bayside Park	Residential	\$ 983,030
Boston: West End	Residential	\$ 9,398,212
Brookline: The Farm	Residential	\$ 1,747,706
Cambridge: Riverview	Residential	\$ 237,351
Rogers Block	Industrial	\$ 253,433
Fall River: Pearl Street	Commercial, Public	\$ 1,265,243
Lawrence: Common, Valley, and Concord	Commercial	\$ 2,017,111
Lowell: Northern Canal	Residential	\$ 1,250,956
Renewal Area	Commercial	\$ 433,340
Church Street		
Medford: Union Swan	Commercial	\$ 265,199
North Adams: Center Street	Commercial	\$ 1,510,920
Revere: Ocean Avenue	Commercial	\$ 232,839
Worcester: New Salem Street	Commercial, Public	\$ 2,742,907
Manchester, New Hampshire:		
Pearl Street	Commercial	\$ 656,213
Spruce Street	Commercial	\$ 838,342

TABLE VII (Continued)

Status of All Urban Renewal Projects in New England, July 1959

III Projects in Execution (Clearance in Progress)

<u>City--Project Name</u>	<u>Reuse^{4/}</u>	<u>Federal Contribution</u>
Nashua: High Street	Commercial	\$ 525,415
Portsmouth: High--Hanover Streets	Public	\$ 186,564
Providence, Rhode Island: Lippitt Hill	Residential	\$ 3,241,082
Point Street	Industrial	\$ 169,125

IV Application for Federal Funds Approved, Projects in Planning

<u>City--Project Name</u>	<u>Federal Contribution</u>
Ansonia, Connecticut: Downtown Broad Street	\$ 1,133,332 \$ 1,698,751
Bridgeport: Railroad Avenue	\$ 850,775
Hartford: Winsor Street	\$ 3,266,000
Killingly: Lower Village of Rogers	\$ 134,653
Meriden: Central Area	\$ 1,240,000
Naugatuck: Church--Water Streets North Main Street South Main Street	\$ 1,126,000 \$ 44,000 \$ 258,927
New Britain: East Main Street	\$ 1,456,666
New Haven: Dirwell Area State Street	\$ 2,184,000 \$ 4,320,312
Norwalk: South Norwalk	\$ 1,160,000
Norwich: Commerce--Water Streets	\$ 768,000
Portland, Maine: Munjoy--South	\$ 600,000
Cambridge, Massachusetts: Cambridgeport Donnelly Field	\$ 4,980,000 \$ 1,457,689
Chelsea: Area #1 Area #4	\$ 886,704 \$ 813,334

TABLE VII (Continued)

Status of All Urban Renewal Projects in New England, July 1959

IV Application for Federal Funds Approved, Projects in Planning

<u>City--Project Name</u>	<u>Federal Contribution</u>
Fitchburg: Central Valley	\$ 943,040
Gloucester: North Central	\$ 632,979
Springfield: North End	\$ 3,193,000
Wilmington: Wilmington Center	\$ 400,000
Worcester: Massachusetts Route 15 Area Expressway	\$ 500,000 \$ 1,750,000
Portsmouth, New Hampshire: Marcy--Washington	\$ 551,845
Providence, Rhode Island: Central Classical	\$ 3,910,000
Burlington, Vermont: General Neighborhood Renewal	\$ 3,910,000

V Application for Federal Assistance--No Action

Bridgeport, Connecticut: State Street	\$ 7,952,500
Bristol: Bristol Center	\$ 3,190,000
Norwich: West Main Street	\$ 484,600
Bangor, Maine: Still Water Park Hancock Street	\$ 579,092 \$ 796,700
Andover, Massachusetts: Central Andover	\$ 514,700
Boston: Roxbury Renewal Area Washington Park Renewal Area (Section of Roxbury Renewal Area)	\$13,595,000 \$ 2,640,000
Fitchburg: Water Street	\$ 865,193
Haverhill: Pawtucket Urban Renewal Project	\$ 1,108,000
Malden: Charles Street	\$ 708,482
Plymouth: Summer High Urban Renewal Area	\$ 967,873

TABLE VII (Continued)

Status of All Urban Renewal Projects in New England, July 1959

VI Recapitulation:

	<u>Group</u>	<u>Federal Contribution</u>
I		\$ 1,477,778
II		\$ 24,862,781
III		\$ 54,761,008
IV		\$ 40,860,000
V		<u>\$ 30,762,140</u>
<u>Total</u>		\$152,723,707

Age of Housing

Forty years is the time period often used in estimating the life of a wooden frame house. But the age of a house is often less important than the quality of original construction and the level of maintenance over the years. It is not difficult, in New England, to find examples of structures over 100 years old which are still in good repair and provide attractive, comfortable homes. On the other hand, many houses built since World War II are already on the way to becoming unsatisfactory living accommodations. Age does, however, provide an insight into the general character of the housing stock. The large rooms and high ceilings of houses built prior to the First World War make them both expensive to heat in winter and expensive to cool in summer. Small garages, few bedrooms, poor insulation, stairs, dark rooms, are all characteristics of older homes which make them less acceptable as residences today and thus reduce their value. But the extent to which value is reduced to the point of causing them to fall

off the market is difficult to judge. Testimony given before a committee of the United States Senate revealed one expert's estimate that 1 percent of the housing stock was becoming substandard each year.^{5/} In addition it is generally estimated that 1/2 percent of the stock is lost through fire, natural disaster, or losses under eminent domain (excluding substandard housing). This estimate is probably fully applicable in New England because of its high density of housing and the age of structures.

New England has more than its share of super-annuated housing. From 52.7 percent of housing in Connecticut to 73.7 percent of housing in Vermont was constructed prior to 1920.

TABLE VIII

Units Built in 1919 or Earlier, New England States, 1950

	<u>All Units</u>	<u>Built 1919 or Earlier</u>	<u>Percent Built 1919 or Earlier</u>
Maine	311,441	191,940	61.6%
New Hampshire	190,563	122,675	64.4%
Vermont	121,911	89,870	73.7%
Massachusetts	1,400,185	911,240	65.1%
Rhode Island	244,147	146,830	60.1%
Connecticut	611,162	321,890	52.7%

It might well be that in the future the rate of abandonment of structures in older areas will be higher than at present. The principal reason for this is the trend toward higher levels of real

^{5/} Testimony of William L. C. Wheaton before subcommittee of the Committee on Banking and Currency, United States Senate, 84th Congress, 1st Session appearing in "Discussion of Federal Housing Programs," p. 51.

income. Expected increases in real income will have a double effect. They will increase the number of persons or families who seek to occupy separate quarters and increase the amount of expenditure that families generally will pay for their quarters. Schwab's Law, which states that rent expenditures increases with increases in income but at a slower rate, has its effect here. As income rises families will try to increase their housing standards. This will lead to a demand for higher cost housing and develop surpluses of poor housing. Such surpluses have already shown up, for example, in the Roxbury section of Boston.

The question arises as to why abandonment of low rent structures has not appeared before this since we have had prior periods of increasing income. There are two reasons for this. In the first place in prior periods New England urban areas were hosts to migrants from abroad and from rural areas. This has not been true in recent years. Secondly, population itself tended to grow more rapidly due to a higher birth rate and out-migration was less pervasive under the impetus of an expanding economy. Of course, we should not overlook the possibility of greatly increased in-migration in future years. Until now very few migrants from Puerto Rico and the south have settled in New England although Boston has had a slowly growing group of persons from both areas. If this should change and New England communities have to absorb sizable numbers of low income families there would tend to be a high rate of occupancy of substandard housing.

This same effect has been noted over the business cycle.^{6/}
Vacancies in low-rent structures move counter-cyclically with

^{6/} Housing Market Analysis, Housing and Home Finance Agency, 1953, p. 70.

vacancies appearing in times of prosperity. Middle income housing can be expected to remain stable over the cycle while vacancies in high income housing should vary greatly from boom to recession.

Assuming no great change in migration and a building industry that can satisfy demand there is reason to expect surpluses to appear in substandard low income urban housing. The effect of these vacancies is of some importance to our analysis. Experience has shown that such vacancies lead to further deterioration and have a pernicious influence on surrounding properties. This will mean a more rapid blighting of marginal neighborhoods than at present. At the same time it will result in decreases in total income to landlords in the neighborhood which will mean lower acquisition costs for public bodies and a lower overall cost of redevelopment. In the short-run, it will also mean a reduction of income for the municipal government without an equivalent drop in costs.

However, the process itself is a healthy one. An acceleration of it would result in a dropping out of the market of the worst kinds of housing. Even here there are limitations. The cost of housing in the postwar period tended to rise faster than real income. This means that families of a given real income have had to pay out higher proportions of their incomes to maintain a fixed housing standard.

Rehabilitation

The cost of rehabilitating housing in renewal areas is unknown and difficult to estimate. The Housing and Home Finance Agency feels the cost would be between \$1,000 and \$4,000 per unit; the Philadelphia Redevelopment Authority estimates costs at \$3,500 per unit; a Chicago group found average costs to be \$6,100 per unit with a range of from \$2,049 to \$11,428; and in New York a study of the West Side Urban

Renewal Area showed costs ranging from \$3,750 per unit to \$6,966 per unit for rehabilitation. The report sponsored by the Rockefeller Brothers Fund entitled "America at Mid-Century" estimates that rehabilitation or replacement costs of substandard units would cost an average of \$10,000.

The feasibility of rehabilitation under existing legislation has been questioned. While some unassisted efforts at rehabilitation in cities have been successful the economics of rehabilitation have been often obscure, sometimes unfavorable, but rarely favorable enough to provide a clear incentive for investment. Little rehabilitation has actually been accomplished under the 1954 Housing Act, and though some interest has been shown in it by Boston, Cambridge, and New Haven, there is no adequate basis of experience for judgment.

The federal program offers mortgage insurance and assistance for spot clearance and public improvements in obtaining neighborhood improvements. It does not offer much incentive to the owner of property to invest additional funds. Such investment can often be forced by requiring conformance to codes. However, in many New England cities the widespread enforcement of codes would create a catastrophic condition and an intolerable housing shortage. Any program of rehabilitation would require that residents pay higher rents which the additional investment and improved quarters justify. As table IX indicates repairs are expensive. It is not known how many people would be forced to obtain government assistance to be able to afford this higher standard of housing.

To judge the rehabilitation program at this time is probably unfair since it is an entirely new concept which must be the subject of experimentation before its usefulness is finally evaluated. Changes,

TABLE IX

Average Size of Insured Loans for Various Repairs, 1957

	<u>Single Family</u>	<u>Multiple Family</u>
Exterior Finish	\$912	\$1,270
Interior Finish	862	1,288
Roof	536	721
Plumbing	539	1,098
Heating	716	1,377
Insulation	384	512

Source: Housing and Home Finance Agency

no doubt, will be made in the provisions of the Housing Act relating to rehabilitation which will improve its attractiveness. Over a period of time it can only be hoped that mechanisms can be worked out which will harness the forces of private enterprise in upgrading these many units of existing housing which, though structurally sound and with minimum facilities, need to be improve. For purposes of this report the eventual success of the program is assumed. The result of this assumption is to minimize the number of dwelling units that need to be demolished.

Improvement of existing units to bring them in line with the rising aspirations of New Englanders is the most difficult component of housing need to estimate. We know that there were 372,486 units which were up to standard in other ways but which did not have central heating and 169,865 without hot water (127,484 of these were duplicates in the sense that they had neither hot water not central heating). To bring these units up to standard would cost approximately \$300,000,000 current dollars. The costs of other alterations, such as the many needed reconversions, exterior alterations, and elimination of hazardous conditions

are unknown. It is certain that little of the 1.7 percent of current value of the housing stock which is estimated as going for alterations and additions^{7/} is being spent for the purpose of upgrading existing units.

Population Growth

The key to the success of the redevelopment process is the provision of housing adequate to take care of persons forced out of their homes by the renewal effort. As time goes on this will become more and more serious as a problem and unless solved will slow the rate of progress in urban renewal. Already in Portland this issue has become central and has been responsible for a slowing of the program.

The provision of housing in many older areas is difficult because of the lack of land. With major portions of redeveloped areas going into higher economic uses, such as commercial and industrial use, off-site housing accommodations must be found. Often, even when redeveloped for residence, the rents necessary are far out of range of the former occupants of the site. Rental housing for low and middle income families is not readily available. Special provisions in the urban renewal act provide assistance in developing such housing. Few areas welcome public housing so that this solution for low income families is seldom used.

While the need for new construction to house displaced families is great it is not the only source of demand for new construction. The normal growth of population--which has taken place at a rapid rate in recent years-- will place great demands on the construction industry.

^{7/} Goldsmith, Raymond W., "A Study of Saving in the United States," Princeton University Press, 1954.

TABLE X

Planned Reuse of Cleared Land

	<u>Maine</u>	<u>New Hampshire</u>	<u>Massachusetts</u>	<u>Rhode Island</u>	<u>Connecticut</u>
Streets	20.2%	25.6%	24.5%	18.6%	29.9%
Residential	45.9	26.6	31.4	28.5	23.7
Commercial	11.4	18.8	22.1	9.0	27.0
Industrial	22.4	1.7	12.9	44.0	10.6
Public	<u>-----</u>	<u>27.3</u>	<u>9.6</u>	<u>0.0</u>	<u>8.7</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE XI

Projection of Population of New England States to 1970

	<u>1950</u>	<u>1970</u>
Maine	914,000	1,018,000
New Hampshire	533,000	655,000
Vermont	378,000	404,000
Massachusetts	4,691,000	5,147,000
Connecticut	2,007,000	2,766,000
Rhode Island	792,000	943,000

Source: Federal Reserve Bank of Boston

To serve the increase in population projected for New England by 1970 would require a stock of housing between 3,526,770 units and 3,904,640 units. This compares with a 1950 inventory of 2,879,409 units. These will have to be supplied even if we do nothing in the urban renewal field.

Value of Housing Stock Maintenance

In estimating the value of the housing stock 1950 was used as the base year. Estimates were made of the value of urban and rural dwellings in New England using data from the 1950 Census of Housing. In order to do this several assumptions had to be made. These were: (1) that the value of renter occupied units was 10.204 times the annual rent (rent = 9.8 percent of value)--this figure is based on studies made of this relationship;^{8/} (2) that the average value of owner occupied units and the average rent of renter occupied units occurred at the mid-point of the range in each class interval--for values over \$20,000 a price of \$22,500 was assumed and for rents over \$100 a rent of \$125 was assumed; (3) that the value of units for which no information is available was equal to the average value of units for which information was available. Given these assumptions the value of the housing stock in 1950 was estimated as follows:

(1) 1,184,862 renter occupied units at annual rent capitalized at 9.8 percent	\$5,034,027,800
(2) 818,216 owner-occupied single family units	8,152,765,800
(3) 731,756 units on which no data available on the average per unit value derived from land	4,819,345,000
(4) 15,795 vacant rental units at capitalized annual asking rent	7,577,900
(5) 6,840 single family units for sale at asking price	6,877,000
(6) Total value of urban and rural nonfarm units	\$18,020,593,500

^{8/} See: America's Needs and Resources, 20th Centruy Fund, 1955, Chapter 7.

As a further check this result was compared to the total for all United States urban and rural nonfarm units. It represents 6.9 percent of that total. Personal income in New England represented 6.73 percent of the United States in 1950 but the unit value of New England housing is somewhat above the United States.

The proper maintenance of this stock of housing would require a higher rate of spending than the 1.3 percent of current value estimated at present. The best available opinion^{2/} holds that units may be slipping into the substandard classification at a rate as high as 1 percent a year. This is largely but not entirely due to poor maintenance. It is estimated that proper maintenance would require expenditures of 1 percent per annum of original value. Assuming that houses on the average in New England are twenty years old this would mean 2 percent of current value. In 1957 prices this would have meant an annual expenditure of 440 million dollars. This amount will increase over the years due to the growth of the housing stock.

Estimates of Housing Need

A comprehensive urban renewal program that will remove all substandard units by 1970 would mean the elimination of 526,732 units in New England. To reduce densities in households, to allow "undoubling" of families, to replace housing lost through fire and public takings, and to allow a vacancy ratio permitting freedom of movement within the market would all require additional units.

In tables XII and XIII the number of dwelling units under two possible programs are outlined. Fundamental to each is the complete

^{2/} Testimony of William Wheaton, op. cit.

elimination of substandard housing. This should be the objective of any program. The program differ in that one calls for a density of habitation in dwelling units of 3.1 persons, the same as at present, and a vacancy ratio of 3 percent, or slightly higher than at present. This program would provide homes to meet family fromation needs and for families displaced from clearance activities. The internal characteristics would be about the same as at present and it would be a "tight" housing market. The second program would allow densities of 2.8 persons per unit and have a vacancy ratio of 5 percent. This would be the attainment of an ideal goal long held by experts in the housing field. It would insure a home for every family and would allow sufficient fluidity on the market so that marginal and substandard units would tend to drop out of the market. A vacancy ratio of 5 percent would greatly ease the task of slum clearance by allowing the relocation of families.

The minimum plan calls for the construction of 76,000 units annually and the full program calls for almost 100,000 units annually. At the present rate of new construction we are attaining only about 50,000 units per year. The volume of home building must be increased 50 percent to 100 percent to meet the developing needs of New England.

The attainment of this goal would require large increments to available credit for home financing purposes. It would also mean a substantial stimulation of local economic activity. It is estimated that 28 percent of the cost of new housing goes for direct labor, overhead, and profit. Materials purchased directly by the contractor absorb 21 percent of costs which would include some local income returns in the form of dealers profits and labor costs. 33 percent of the cost of housing is usually in subcontracts for such items as plumbing, painting, flooring, concrete, and plastering. A major but unknown part of this

expenditure would be in the form of wages to local workers and returns to local businesses. Charges, taxes and other incidentals absorb 4 percent of the cost of housing. Land costs, on the average are 14 percent of the cost of the finished housing package.

If the minimum goal were to be met this would mean an increase in annual housing outlay in New England of \$288,000,000 in 1957. The full program would require expenditures of over \$500,000,000 in excess of current outlay.^{10/} To meet this schedule of new building between \$266,000,000 and \$462,000,000 in mortgages would have to be supplied in addition to money currently being loaned.

TABLE XII

Housing Needs: A Minimum Program for 1970

	<u>Maine</u>	<u>New Hampshire</u>	<u>Vermont</u>	<u>Massachusetts</u>	<u>Rhode Island</u>	<u>Connecticut</u>
1.	311,441	190,563	121,911	1,400,185	244,147	611,162
2.	132,375	50,380	36,111	186,095	43,753	78,018
3.	179,066	140,183	85,800	1,214,090	200,394	533,144
4.	17,907	14,018	8,580	121,409	20,039	53,314
5.	161,159	126,165	77,220	1,092,681	180,355	479,830
6.	328,380	218,333	130,322	1,660,320	304,193	892,250
7.	9,851	6,549	3,909	49,810	9,126	26,768
8.	338,231	224,882	134,231	1,710,130	313,319	919,018
9.	161,159	126,165	77,220	1,092,681	180,355	479,830
10.	177,072	98,717	57,011	617,449	132,964	439,188
11.	8,854	4,936	2,850	30,872	6,648	21,959

1. Dwelling Units in 1950.

2. Deduct: D.U.'s substandard and unrehabilitable, 1950.

10/

The cost of a housing unit of minimum standards is estimated by The Bureau of Labor Statistics to be 3/4 of the average cost of housing per unit. Thus in 1957 the cost of a minimum standard house would have been \$9,000.

3. Standard Units in 1950.
4. Deduct: Units that will be lost during period to fire, etc.
5. Present units remaining at end of period.
6. Number occupied units at end of period.
7. Add: Allowances for vacancies.
8. Number units needed at end of period.
9. Deduct Item 5.
10. Additional units needed during period.
11. Additional units needed in average year.

TABLE XIII

Housing Needs: A Full Program for 1970

	<u>Maine</u>	<u>New Hampshire</u>	<u>Vermont</u>	<u>Massachusetts</u>	<u>Rhode Island</u>	<u>Connecticut</u>
1.	311,411	190,563	121,911	1,400,185	244,147	611,162
2.	132,375	50,380	36,111	186,095	43,753	78,018
3.	179,066	140,183	85,800	1,214,090	200,394	533,144
4.	17,907	14,018	8,580	121,409	20,039	43,314
5.	161,159	126,165	77,220	1,092,681	180,355	479,830
6A.	363,570	233,929	144,286	1,838,214	336,786	987,857
7A.	18,179	11,696	7,214	91,911	16,839	49,392
8A.	381,749	245,625	151,500	1,920,125	353,625	1,037,249
9A.	161,159	126,165	77,220	1,092,681	180,355	479,830
10A.	220,590	119,460	74,280	827,444	173,270	557,149
11A.	11,029	5,973	3,714	41,372	8,663	27,857

-
1. Dwelling units in 1950.
 2. Deduct: D.U.'s substandard and unrehabilitable, 1950.
 3. Standard units in 1950.
 4. Deduct: Units that will be lost during period to fire, etc.

- 5. Present units remaining at end of period.
- 6A. Number occupied units at end of period.
- 7A. Add: Allowances for vacancies.
- 8A. Number units needed at end of period.
- 9A. Deduct item 5.
- 10A. Additional units needed during period.
- 11A. Additional units needed in average year.

Notes: 1. From the Census of Housing; 2. from the Census of Housing;
4. estimated at 1/2 percent of the standard stock in 1950 annually;
6. projected population from Sweetser and Burt, "Population and Labor
Force Projections for Six New England States" to 1960 and 1970 divided
by persons per dwelling unit. In line six, page 38, the 1950 density
of 3.1 was used for all states except New Hampshire where 3.0 was used.
In line 6A, page 39, a density of 2.8 was used in all states; 8. a
vacancy ratio of 3 percent of the number of occupied units was set as
a goal in line eight, page 38, and 5 percent in line 8A, page 39.

The states of Massachusetts, Rhode Island and Connecticut are closest to reaching the minimum goal at this time. It is in the three northern states that the greatest disparity between need and construction occurs. The statistics highlight the inherent limitations of the effort to do away with substandard housing. In Maine, New Hampshire and Vermont over 50 percent of the projected need for new housing is due to rehousing needs because of needed demolition. In the other three states demolition of substandard units represents the cause of from 1/3 of the new housing need in Massachusetts to 1/6 in Connecticut. The problem, simply stated, is that there is little incentive for builders

to meet the needs of persons living in substandard units. Yet, the key to the successful accomplishment of slum clearance and the elimination of substandard housing is the provision of adequate substitute housing. This is the objective of the renewal program and it cannot be accomplished without a greatly stimulated construction industry in just those states where few opportunities for upgrading jobs and income have occurred, resulting in slower rates of population and economic growth.

TABLE XIV

New Dwelling Units in New England, 1954 to 1958

	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>Average 1954--1958</u>
Maine	1,235	1,483	1,393	1,165	1,154	1,286
New Hampshire	1,686	2,256	1,992	1,351	1,468	1,751
Vermont	316	350	350	335	312	333
Massachusetts	22,330	25,203	22,571	16,343	18,574	21,004
Connecticut	17,398	17,871	17,514	15,612	14,129	16,505
Rhode Island	<u>3,359</u>	<u>3,485</u>	<u>3,026</u>	<u>2,634</u>	<u>2,638</u>	<u>3,028</u>
New England	46,324	50,648	46,846	37,440	38,275	43,907

On the basis of estimates obtained by examining 39 New England projects involving 13,365 units of housing it costs an average of \$9,742 per unit to clear the land and prepare the site for reuse. This includes acquisition and demolition of structures, preparation of sites for resale, and all planning, engineering, legal and administrative costs of the program. In areas, for example, in which extensive housing was going to be placed the cost of a new school to serve the area might well be included. On an industrial site wider streets, large lateral sewers or other special features would probably be included.

Applying this estimate to the stock of housing to be demolished (line 2 table XII, page 38) less 30,000 units now estimated to be involved in redevelopment projects $(526,732 - 30,000 \times \$9,742)$ would give a redevelopment cost of \$4,839,000,000. To this should be added the cost factor times the standard housing which must be demolished and which we calculated at one to four substandard units. This calculation $\left(\frac{526,732 - 30,000}{4} \times \$9,742\right)$ yields an additional cost of \$1,210,000,000 for a total estimated renewal cost of \$6,049,000,000.

If past relationships hold true in the future \$3,176,000,000 of this will have to be supplied by the Federal Government and \$2,873,000,000 by local governments. This estimate relates to gross project costs and resale value of land would be a net reduction. To provide a rough accounting for this we can use the relationship of \$2 of federal money for every dollar of local money. This, no doubt underestimates. However there seems to be no adequate basis for a more precise estimate. It assumes land resale value at about 23 percent of gross project cost.

Thus, the goal of eliminating all substandard units in 10 years would require a net local outlay of \$1,588,000,000 or \$158,800,000 average annual local contribution. This would amount to about what people in the larger cities of New England presently pay for police protection. The size of the federal contribution required to support such expenditures would be almost equal to the total amount approved by Congress for the entire nation for each of the next several years. It is clear that even if it were possible to support a program to clear slums within 10 years the current level of federal expenditures would not allow it.

A more realistic objective might be 20 years but even if this were the time period selected it would require a much higher allocation

of Federal money. If this period were extended to 20 years annual local costs would then be reduced to about \$7.50 per capita. This would represent a new and major element in municipal costs but would be self liquidating to a large extent.

Estimates of the two elements which would serve to reduce the burden of this expense are extremely difficult to make and none will be attempted here. These elements are the savings to the community in reduced fire, police, inspectorial service and health costs which accompany high density slum developments and the increased taxes usually coming from redeveloped land. In this regard, however, it is worth noting that these theoretical benefits can be easily overestimated. For one thing, if redevelopment merely moves families around in the city without providing the opportunity of social and economic betterment, many of the savings visualized will not occur. Further, as more and more land is redeveloped it will become increasingly difficult to obtain commercial and industrial reusers. This type of reuse is generally the one that provides the greatest "surplus" of income over expenditures. While in many projects money spent on redevelopment can be an investment in economic growth there are others where it will have to be regarded as an expenditure to improve our social well-being.

The accomplishment of the goals of the urban renewal program would mean a decent home in a good environment for every New England family. The redesign of cities which can be accomplished through the program would result in many additional benefits a few of which are: the reduction of traffic congestion; an increase in tax revenue and a decrease in municipal expenditures; a bettering of opportunity for persons from low income families and an improvement in the general level of health in the community. By making cities more comfortable

and efficient it would help to rehabilitate the New England economy by attracting industry and commerce to the urban areas of the region. In summation, the accomplishment of the goals of the urban renewal program would substantially increase the standard of living of New Englanders.

SOME SUGGESTED APPROACHES

The Need for Research

In subjects so close to the existence of man--jobs and homes--surprisingly large gaps exist in knowledge.

Urban Development has been a field in which the forecasts of theory and the results of practice bear little resemblance. We have been unable to provide adequate explanations of the changing locational desires of urban industry which are of sufficient precision to be translated into comprehensive land use plans. The failure to provide a theory of urban change is reflected in the literature on metropolitan and economic growth, which, though voluminous, is conflicting in its conclusions and fragmentary in its view of the problems. Observation of current circumstances, while serving to show what the city, in fact, is, reveal little of the dynamics of urban growth. There is in the field of industrial development and real estate apparently a whole series of arbitrary or merely unknown factors which, whether reflecting the influence of the past or the caprice of man, distort locational decisions and frustrate the development of a detailed theory of city growth which would allow us to plan for the future with confidence. Recently, there has been a blossoming of research effort in this direction. Stimulated by the accumulating problems of population growth and urban change and by a cooperative union of disciplines within the social sciences and between the social and physical sciences, this research effort is gaining momentum. The influence of this research has been on the dynamics of cities, and though there is a tendency, according to some, to abuse the tools of the art and to accumulate nonsense, this interest is bound to lead to better concepts of our changing urban world.

Still to be discovered are the fundamental reasons for development of the urban area as we know it, the costs of the abandonment of older areas, the economic function of cities and their sectors, the impact of environment on production, and the economic relationship of urban areas in the national economy.

In the field of housing, even less is known. The basic lack is knowledge as to what constitutes good housing in physical terms, based on the psychological, social and economic characteristics of the individual and family. A reflection of this lack of knowledge is the experiment in public housing, which twenty years ago was viewed as the key to slum clearance and a solution to the housing problems of low income families, but has in many places failed. As a nation, we have blundered into this program thinking only in terms of brick and mortar. In all too many cities, these projects have created as many problems as they have solved, until today, they are often regarded as a new kind of institution to be added to the poor farm, the jail, the asylum--a hiding place for the problems of the community. The loss of social values created even in the worst neighborhood, the active practice of racial discrimination in tenant selection, the failure of high rise structures to house, successfully, growing families--all these reflect a fundamental lack of knowledge of the character of housing demands of people. The economics of housing in the family budget, the development of new financing devices, the social structure of neighborhoods, what is meant by environment in terms of the physical neighborhood--all these represent gaps of another kind. The possibilities of new materials, the development of building codes which encourage economy and beauty while protecting persons and property, and the improvement of construction methods, are areas in which the private entrepreneur has a direct interest, but about which there is little knowledge.

The size of units in the real estate industry, the fragmentation of the building materials industry, and the limited contact between sectors both of the real estate and building materials industry, limit the possibility of broad privately financed research efforts. Few business organizations have either the resources or the justification for the kind of studies necessary. Governments, foundations, universities, and some few trade associations will continue to sponsor the research in this field. The lack of a comprehensive program of research in either urban change or housing, limits the possibilities of the future. The federal government in its statistical programs has provided the basis for analysis; in actual research work, it has done little. The urban planning assistance and urban renewal programs are great advances in implementation of existing knowledge. Comprehensive research to provide a prescription for better cities and housing is yet to come. Such a program would be cheap in terms both of the actual cost and prospective results. The solution of the problem of the older city awaits such research, and the onus for doing it seems to rest on the federal government.

Coordination of Available Resources

Many of the weapons necessary to combat the problem of the older areas already exist. However, they are largely uncoordinated and though each program has had success by its own standards, the possibility of solving the total problem would be greatly increased if each of these programs represented a tool to be used selectively in attacking the housing blight and economic decline.

The lack of coordination exists at all levels of government. At the local level, the requirements of a "workable program" and a

"coordinator" are attempts to attain the full impact of local powers in solving the problems of slums without basic governmental reorganization. Unfortunately, this excellent concept of a "workable program" has not been utilized at the state or the federal level. The state builds highways, promotes industrial development, regulates water and sewers, transportation, and the taxing power of local governments, provides funds for education, welfare, and hospitals. The federal government provides assistance in public works and city planning, urban renewal, public housing, hospitals, urban highways, special educational programs, school assistance in defense-affected communities, public welfare, civilian defense, sewers, airports, rivers and harbors, and police facilities, among others. All are administered independently and often without reference to one another.

Although it would be a mistake to think that mere amalgamation of these functions and development of a scheme to provide the proper mix of aids would solve the problems of the older cities, it does appear that a much better job could be done than is now possible.

To develop a "workable program" of state and federal aids and stimulations would mean a thinking through of the problems and the development of a sensible plan within the available resources. Research and statistical services under such a program could be directed into those aspects of the problem rating highest priority on some comparative scale.

It would seem to make sense to have these functions relating to cities in one department, whether at the state or Federal level. Dealing with the problems of cities as a unit rather than with minutiae of municipal services, while raising the spectre of federal control, also shows the promise of greater results for a given monetary outlay.

It does not seem likely that Americans are so afraid of their government as to wish to keep it inefficient. Such a federal department might even allow greater decentralization of power if similar reorganizations were affected at the state level, with the departments in the states having a major voice in the development of a "workable program." Admitting that this proposal would involve a major reorganization of the federal establishment--taking urban roads from the Commerce Department, apprentice training from the Labor Department, police assistance from the Treasury Department, welfare programs from Health, Education and Welfare, river and harbor development from the Defense Department, as well as absorbing whole agencies such as Housing and Home Finance--it makes a great deal more sense than the present separated and independent programs with impact in local governments sponsored by the federal government. Obviously, a federal department to handle urban affairs would take considerable time to develop into the kind of agency envisioned here. However, the problem of older cities and the haphazard impact of present federal aids leads to this recommendation.

Urban Renewal and Industrial Development

The urban renewal program contains the best promise of halting the decline of older residential and industrial areas.

The law requires that a project, to be eligible for urban renewal assistance, must involve an area whose land is at present used primarily for residential purposes, or which, after it has been redeveloped, will be used for residential purposes. Under this requirement, it is possible for commercial or industrial land to be redeveloped, but it must result in a predominantly residential reuse. Residential land, on the other hand, can be redeveloped for uses partially or completely

commercial or industrial in nature. Commercial or industrial land cannot be reused for substantially commercial or industrial purposes. An exception is made in that up to the extent of 20 percent of total federal renewal grants, funds may be used for areas not predominantly residential in either present use or proposed reuse.

In the downtown areas of many New England cities there are commercial or industrial areas containing structurally poor or functionally obsolete factories, stores and warehouses. This land, often located in geographic dead ends, and surrounded by other business uses, is not suitable for housing use. These structures are a drain on the economic resources of our cities, and are the areas whose poor environmental conditions tempt business to locate elsewhere. Lack of a substantial number of slum dwellings has prevented the renewal of such areas. Until resources are available to clean out these rundown sections, the city will be limited in its efforts to retain its commercial and industrial base. The inability to protect this important source of revenue limits the ability of the city to prevent the loss of the economic value of residential land.

To correct this imbalance in the urban renewal program it is necessary that more funds be provided for the redevelopment of industrial and commercial land for similar purposes. Further, the complete elimination of a requirement that substandard housing be a part of such projects, a change to eliminate housing objectives would necessarily involve a broadening of the urban renewal concept from a housing-oriented program to a program designed to rebuild our cities in a much broader sense. The change would be merely technical rather than philosophical, since 40 percent of New England projects have commercial or industrial development as their predominant reuse; and in many cities,

the urban renewal program is, in part, an industrial development program. The substandard housing requirement for project approval limits the value of the program, and could lead to piecemeal redevelopment rather than comprehensive redesign of the economic base of the city.

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Turley, Joseph P.

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